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Research Article

Income pooling strategies among cohabiting and married couples: A comparative perspective

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Abstract

BACKGROUND
Studies explaining why cohabiters are more likely to keep money separate than spouses have mainly focused on selection processes, without taking into account the heterogeneity within both union types in levels of commitment. Cross-national studies are rare and have predominantly included Northern and Western European countries, the United States, and Canada.

OBJECTIVE
This study explains the higher likelihood of cohabiters to keep income separate by selection as well as commitment factors and explores country differences, including countries from Central and Eastern Europe.

METHODS
Using data from the Generations and Gender Surveys of Bulgaria, France, Georgia, Germany, Romania, and Russia, N=41,456 cohabiting and married individuals are studied. Binary logistic regression models of the likelihood that respondents keep money separate are calculated.

RESULTS
Across countries, higher education, female labor market participation, both partners being employed, short union duration, absence of joint children, presence of separation thoughts, and (for cohabiters) a lack of marital intentions are the most persistent

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correlates of keeping money separate. Differences between cohabiters and married couples are reduced when selection and commitment are taken into account, but are still significant. Cross-national variation in the effect of cohabitation on keeping separate purses is persistent.

CONCLUSION
Different money management strategies of cohabiters and spouses can be explained to some extent by selection processes and inherent differences in the level of commitment within cohabitation and marriage. Countries also differ in the socio-economic context and norms concerning the way intimate relationships are organized which might lead to persistent differences in the way cohabiting and married couples organize their income.

1. Introduction

Income pooling strategies, namely, whether couples have a common purse or keep their money apart, constitute an important aspect of a co-resident couple's everyday life, regardless of whether the partners are married or not. Income pooling strategies reflect how individuals try to resolve the conflict between their commitment towards the partner on the one hand and the maintenance of individual autonomy on the other hand. Whether and how cohabiting and married couples differ with respect to income pooling strategies is a research topic of growing relevance because cohabitation is becoming more common, often preceding or replacing marriage (Kiernan 2001), and national governments aim at regulating its practice. If cohabiters keep money separate more frequently and if the number of cohabiters continues to increase, the popular assumption of policy makers that households share all of their financial assets would be challenged.

A consistent finding in existing research about income pooling strategies of cohabiting and married couples has been that cohabiters are more likely to keep money separate than their married counterparts (Ashby and Burgoyne 2008; Bradatan and Kulcsar 2008; Elizabeth 2001; Lyngstad, Noack and Tufte 2011; Oropesa, Landale and Kenkre 2003; Vogler, Brockmann and Wiggins 2006; Winkler 1997). The majority of these studies focused on the role of selection. It has been suggested that cohabiters differ from married couples before they enter cohabitation (Axinn and Thornton 1992; van de Kaa 1993). Hence, individuals with certain characteristics are both effectively selected into cohabitation as well as into individual money management. Our first research question therefore is: To what extent do cohabiting and married couples differ in the manner in which they manage money and how much of this variation is due to selection into one of the two union types?

Selection may, however, only be part of the story. Differences in the manner in which money is managed could also result from inherent differences between cohabitation and marriage; for instance, in the level of interpersonal commitment (Rhoades, Stanley and Markman 2010; Stanley, Whitton and Markman 2004). It has been argued that the most important difference between cohabitation and marriage is – besides the legal differences – that cohabiters face a higher level of insecurity about the relationship's future, because cohabitation lacks strong institutional and normative rules as well as the public affirmation of the marriage vow (Brines and Joyner 1999; Cherlin 2004; Winkler 1997). Cohabiting partners are thus expected to be less committed to each other, resulting in a lower likelihood of income pooling. Commitment within cohabitation and marriage, however, may vary. First, the economic lives of couples are likely to get more intertwined with time; hence, long-term unions have a larger tendency to pool economic resources than unions that have lasted for a shorter period of time. Second, the presence of joint biological children in the household might indicate a joint investment in the relationship that increases interdependence and solidarity between partners and might reduce the difference between cohabitation and marriage (Seltzer 2004). Third, doubts about the long-term stability of the union might discourage individuals from striving for more financial interdependency. Our second research question therefore is: To what extent are the differences between cohabiters' and spouses' income pooling strategies reduced when the level of interpersonal commitment is taken into account?

A number of studies have shown that cohabiting relationships in which marriage plans are present are not qualitatively different from marriages (Brown and Booth 1996; Wiik, Bernhardt and Noack 2009). Marital intentions might be a sign of high commitment, which reduces the perceived risk of income pooling. But the absence of marital intentions does not necessarily imply low commitment to the union, as cohabiters might view their union as an alternative for marriage. Also, the experience of premarital cohabitation has been argued as signaling lower commitment to the relationship, as partners have not been sure enough to marry directly (Forste and Tanfer 1996). But in many countries premarital cohabitation has become an increasingly common way to start a co-resident union (Liefbroer and Billari 2010).

Barely any prior research has compared income pooling strategies of cohabiting and married couples across different cultural and institutional settings. Most studies have focused either on the differences between spouses and cohabiters in one country (Ashby and Burgoyne 2008; Elizabeth 2001; Lyngstad, Noack and Tufte 2011; Oropesa, Landale and Kenkre 2003; Vogler, Brockmann and Wiggins 2006; Winkler 1997) or compared married couples across countries (Lauer and Yodanis 2011; Yodanis and Lauer 2007). The only two existing studies that have compared married and cohabiting couples with regard to their income pooling strategies cross-nationally have found persistent differences between cohabiters and spouses in their income pooling strategies after controlling for a limited set of selection and commitment factors, but do not identify variation in the effect of cohabitation on money management strategies across countries representing very different welfare state regimes (Hamplova and Le Bourdais 2009; Heimdal and Houseknecht 2003).

Studying income pooling strategies of cohabiters and spouses in different social and cultural contexts increases our understanding of the interplay between institutional context, the selection into different union types, the meaning attached to cohabitation, and the way intimate relationships are organized. First, when cohabitation is marginal, the cohabiting population is more likely to consist of an overrepresentation of individuals with specific characteristics that attach one predominant meaning to cohabitation.

Second, countries might vary with regard to the commitment that is involved in cohabitation. In Western European countries where most unions start by unmarried cohabitation the level of commitment involved in these unions might vary largely across individuals. Whereas some unions might dissolve relatively soon, for others the difference between cohabitation and marriage might be blurry, as they view their union as a long-term alternative to marriage and are very committed to their relationship. In Eastern European countries where cohabitation is marginal and social approval of it is low, the commitment involved in cohabiting unions might generally be higher, as cohabitation tends to be short-lived and quickly converted into marriage.

Third, countries might not only vary with regard to selection into and commitment within marriage, but also in cultural and social values associated with cohabitation and marriage. Sociologists have posited an individualization of intimate relationships occurring in contemporary Western societies, in which partners increasingly value individual autonomy and self-realization. In order to maintain individual autonomy and the ease of leaving a union that is no longer considered self-fulfilling, pooling income might be avoided within individualized unions, leading to an increased likelihood of individual money management (Lauer and Yodanis 2011).

Thus, our third research question is: How do countries differ in the association between union type and income pooling strategies? More specifically, do we find evidence that the country context translates differently in selection processes into cohabitation and the level of commitment involved in cohabitation, and do we find indications of different norms concerning money management across Europe that lead to persistent cross-national differences in cohabiters' and spouses' income pooling strategies, even when taking selection and commitment into account? Using data from the Generations and Gender Surveys (GGS), we analyzed data from countries that differ widely in the prevalence and institutional context of cohabitation, including not only two Western European countries, France and Germany, but also countries located in Central and Eastern Europe: Bulgaria, Georgia, Romania, and Russia.

2. Theoretical background and hypotheses

The existing literature offers overwhelming evidence that cohabiters are more likely to opt for independent money management than the married, although contrasting explanations for these differences are proposed. Our first hypothesis concerns the replication of the finding that *cohabiters are more likely to keep money separate than married individuals* (Hypothesis 1). The two main explanations for this difference focus on the role of selection processes and on inherent differences between marriage and cohabitation.

2.1 Explanations focusing on selection processes

The selection argument implies that the same set of factors leads individuals to prefer cohabitation and to opt for individual money management. First, age might be associated with both union type choice and income pooling strategy. Cohabiters are on average younger than married individuals. Young adults are more likely to be economically dependent; for instance, on income provided by parents or study grants. Thus they might not yet consider merging their income with their co-resident partner, or at least might keep some income separate.

Second, selection may occur on the basis of cultural characteristics. Within the theoretical framework of the Second Demographic Transition the increasing popularity of cohabitation has been argued as resulting from a change in values and attitudes concerning family life in a broader sense (Surkyn and Lesthaeghe 2004). The highly educated have been considered as at the vanguard of this value change. Although at later stages of the transition the educational gradient may have become smaller as larger parts of the population enter into cohabitation, highly educated individuals have been found to be more progressive in their value orientation, less in favor of marriage, and more likely to cohabit (Kiernan 2000; Manting 1996). Individuals who value individualism and personal autonomy are also more likely to have a preference for separate purses in order to maintain financial independence (Elizabeth 2001) or to simply facilitate decision-making on individual expenditure (Ashby and Burgoyne 2008). Several studies have reported that the higher educated are more likely to keep their money separate (Hamplova and Le Bourdais 2009; Lyngstad, Noack and Tufte

2011), but see Treas (1993) for contradictory evidence for African-American married couples in the US.

It has also been argued that opting for unmarried cohabitation might be a sign of social deprivation. In times of growing globalization and economic crisis the most disadvantaged social strata of society might be more affected by the negative outcomes of decreasing job stability and wage protection such as unemployment, job insecurity, and economic uncertainty, and more likely to opt for cohabitation as a second best option when marriage is not (yet) feasible (Blossfeld, Mills and Klijzing 2005; McDonald 2006; Sobotka and Toulemon 2008).

Religiousness is another cultural resource on the basis of which this type of selection might occur. Religious people hold more collectivistic and traditional values that oppose unmarried cohabitation (Kiernan 2000; Manting 1996; Thornton, Axinn and Xie 2007). Although no empirical evidence is available, it could well be that religious people also prefer income pooling because this highlights their unique relationship.

Selection may also occur on the basis of the division of paid labor within the couple. It has been found that couples in which the female partner is strongly attached to the labor market are overrepresented among cohabiters (Kiernan 2000). Female labor force participation and female earnings have been found to be positively associated with independent money management as well (Elizabeth 2001; Hamplova and Le Bourdais 2009). Whereas the traditional male-breadwinner model requires that the employed partner compensate the partner who specializes in home work by pooling economic resources, the pre-eminence of specialization is reduced when both partners contribute to the household income. Moreover, the bargaining power of the female partner in the way the relationship is structured is enhanced when she contributes to the household income.

Earlier life-course experiences could also influence union formation processes and the manner in which relationships are organized (Guzzo 2006; Liefbroer, Gerritsen and De Jong Gierveld 1994). Individuals who have experienced a divorce have been found to be more likely to cohabit (Bumpass and Lu 2000). At the same time the experience of a divorce might result in a reluctance to pool resources (Burgoyne and Morison 1997; Heimdal and Houseknecht 2003) as, for instance, previously married respondents might have financial obligations towards their former partner, or children from a previous relationship which might make them less willing to pool income with the current partner (Burgoyne and Morison 1997). The presence of children from prior unions in the household might increase the odds of independent money management, as the step-parent might not want to pay for the child brought into the relationship or might want to protect the biological parent’s alimony entitlement from his or her former partner.

If selection is at play, the observed differences between cohabiters and spouses with regard to their income pooling strategies would be spurious, because they result from differences in the background characteristics addressed above. In summary, our second hypothesis reads: *The association between union type and income pooling strategy results from selection processes that shape both the preference for cohabitation and for independent money management* (Hypothesis 2).

2.2 Explanations focusing on inherent differences of cohabitation and marriage

In contrast to theoretical approaches that focus on selection, some authors have emphasized that differences in the money management strategies of cohabiters and spouses might also be explained by inherent differences between cohabitation and marriage (Brines and Joyner 1999; Brown and Booth 1996; Nock 1995; Poortman and Mills 2012). Often, differences in the commitment of married and cohabiting unions have been highlighted. Marriage is a symbol of long-term commitment because it is highly institutionalized (Nock 1995). Marriage is a public affirmation that implies specific norms, obligations, and formal ties, and leads to “enforceable trust” (Cherlin 2004). Both financially and socially, marriage implies higher expectations and exit costs than unmarried cohabitation. Married partners are therefore expected to be more committed to each other than cohabiters. These differences in commitment are in turn expected to translate into differences in the ways in which married and cohabiting couples manage their money. Cohabiters face lower exit costs from their cohabiting relationship, are more uncertain about the stability of the relationship due to the shorter time horizon, and are confronted with more ambiguity regarding social expectations about what it means to be a cohabiting partner. The uncertainty about the persistence and seriousness of the relationship makes it risky for many cohabiters to pool their income (Treas 1993), especially when joint property is not legally protected in the case of separation. These differences have been argued as leading cohabiters to opt for independent money management (Winkler 1997).

Although the level of commitment may generally be lower in cohabitations than in marriages it is important to realize that the extent to which these union types differ in their level of commitment might depend on specific characteristics of these unions. First, union duration might matter. Cohabiting unions increasingly last longer (Sobotka and Toulemon 2008). The economic lives of couples most likely get more intertwined with time; hence, long-term unions have a stronger tendency to pool economic resources than unions that have lasted a shorter period of time. Treas (1993) has described this as a way to reduce transaction costs within households. Long-term cohabiters might thus be as likely as married individuals to pool income with their partners. The difference between spouses' and cohabiters' money management strategies might be thus largely due to the overrepresentation of short unions in cohabiting relationships.

Second, across Europe, but also the United States and Canada, the increase in non-marital childbearing is largely due to increasing births to cohabiting couples (Kiernan 2001; Raley 2001). A growing number of cohabiters have joint biological children. The presence of joint children can represent increasing commitment to the union, as it strengthens the bond between the parents (Seltzer 2000). In turn, children increase the need of a couple to coordinate financial affairs. Moreover, a child increases the amount of work within a household, which might require at least temporary specialization of one partner in unpaid labor. This suggests that couples that share responsibilities for a dependent household member are more likely to pool income in order to compensate for specialization. The empirical evidence that cohabiters with joint biological children differ less from married couples in their money management strategies (Hamplova and Le Bourdais 2009; Lyngstad, Noack and Tufte 2011; Vogler, Brockmann and Wiggins 2006) suggests that the observed difference in the income pooling strategies in cohabitation and marriage could be driven at least to some extent by the smaller proportion of parents among cohabiting couples.

Third, not all married unions are per se more committed than cohabitations. The level of relationship satisfaction has previously been found to be associated with income pooling strategies (Hamplova and Le Bourdais 2009). Individuals who thought about separation are less committed to their unions, which in turn might discourage income pooling. Cohabiters have lower exit costs from their unions and might be overrepresented among those considering a separation from their partner.

From these considerations on the role of commitment we derive a third hypothesis: *The differences in income pooling strategies of cohabiters and the married will be reduced once the level of interpersonal commitment in both union types is taken into account* (Hypothesis 3).

A final aspect that may influence income pooling both within cohabitation and marriage is whether cohabitation is linked to marriage or not. Some cohabiters plan to marry while others do not. It is widely assumed that cohabiters with marriage plans are more committed to their relationship than cohabiters who lack such intentions. Cohabiters envisaging marriage have been found to be more likely to pool income than cohabiters who do not have marriage plans (Brown and Booth 1996; Hamplova and Le Bourdais 2009; Lyngstad, Noack and Tufte 2011). Some spouses cohabit before they get married; others marry straight away. When separate purses are more likely during cohabitation, married couples who cohabited before marriage might also be more likely to continue the money management strategy employed during cohabitation.

So far, no study on income pooling strategies of cohabiting and married couples has taken the heterogeneity of both union types into account (but see Poortman and Mills 2012 for other arrangements). We distinguish between those (a) cohabiting without marital intentions, (b) cohabiting with marital intentions, (c) married with premarital cohabitation, and (d) married without premarital cohabitation. We expect these four union types to be differently associated with income pooling, suggesting a hierarchical order. We expect income pooling to be least likely to occur among cohabiters without plans to get married, followed by cohabiters who intend to marry. Individuals who have cohabited with their partner before getting married are expected to be more likely to pool income than both types of cohabiters, and, finally, *income pooling is expected to be most likely observed among married couples who married directly* (Hypothesis 4).

2.3 The comparative setting

Previous research has mainly focused on the income pooling strategies of couples in Northern and Western Europe, the United States, and Canada. Much less attention has been paid to countries in Central and Eastern Europe – countries that differ in many ways and where significant societal, political, and demographic changes have taken place during the last few decades. The present study examines income pooling strategies of cohabiters and married individuals, comparing countries across Western and Eastern Europe (Bulgaria, France, Georgia, Germany, Romania, and Russia), which allows exploring general and context-specific differences between cohabitation and marriage. Ultimately, this study helps us to understand the diversity of cohabitation across Europe. In the following we briefly contextually situate the countries in our study with regard to the prevalence and level of institutionalization of cohabitation. We then discuss three reasons why we expect cross-national variation in the effect of union type on money management: selection, commitment, and level of individualization in cohabitation and marriage.

Northern European countries have been characterized as the forerunners in the societal diffusion of cohabitation and have been referred to as “cohabitation land” (Syltevik 2010: 448). Western European countries have been considered as following suit. In Western Europe cohabitation has replaced direct marriage as the start of a union for the vast majority of recent birth cohorts (own calculations based on GGS data, not shown). In France cohabiters have been able to register their partnership since 1999, when the “Loi sur la Concubinage et le Pacte Civil de Solidarité” (PACS) was promulgated. In legal terms a registered partnership is largely similar to civil marriage. Around half of all first births occur within cohabitation (Perelli-Harris et al. 2012).

Cohabitation is part of the transition to adulthood in Germany as well. Several institutional constraints and economic incentives encourage cohabiters to marry, and marriage and parenthood are strongly linked. A registered partnership (*Lebensgemeinschaft*) as an alternative to civil marriage is available to homosexual but not heterosexual couples.

Central and Eastern European (CEE) countries have been classified at an earlier stage of the diffusion process of cohabitation. Countries like Bulgaria, Georgia, Romania, and Russia have been characterized as contexts where cohabitation is marginal, practiced by a subpopulation with particular characteristics (Heuveline and Timberlake 2004; Kiernan 2001). Nevertheless, substantial differences have been found across countries in this region with regard to the prevalence of cohabitation and its function in the childbearing process (Sobotka 2003). For instance, whereas 41% of Georgian women born between 1971 and 1980 were cohabiting at the birth of their first child, not more than 12% of their Romanian counterparts did so (own calculations based on GGS data, not shown). But the predominant role of cohabitation in the union career also differs across countries. For instance, in Russia divorced individuals as well as urban residents are largely overrepresented among cohabiters (Zakharov 2008), whereas in Bulgaria premarital cohabitation has a long tradition, where, particularly in rural areas, cohabiters move in together at the moment of engagement, often into the house of one set of parents (Hoem and Kostova 2008).

The extent to which cohabiting and married couples differ in their income pooling strategies might vary between countries for at least three reasons. First, differences in the prevalence of cohabitation across countries might lead to different selection processes into cohabitation, as the above-mentioned examples illustrate. As a result of the different composition of cohabiters across countries, differences in the income pooling strategies of cohabiters and spouses might vary as well. In some countries only a minority cohabits: in other countries virtually everyone experiences periods of cohabitation. In countries where only a minority cohabits those who cohabit might exhibit very different behavior from the married, and consequently likewise with regard to income pooling strategies. These initially large differences between cohabiters and spouses with regard to income pooling are expected to be strongly reduced after selection factors are accounted for. In countries where cohabitation is widespread selection into cohabitation is lower and differences in the income pooling strategies of cohabiters and the married are expected to be smaller, and not substantially reduced by taking selection factors into account.

Second, a contrasting hypothesis on cross-national differences in cohabiters' and spouses' income pooling strategies can be derived when examining cross-national differences in the commitment involved in cohabitation. When cohabitation is less widespread, it constitutes a deviant behavior. Often, such a context is characterized by higher levels of religiousness and moral conservatism (Gault-Sherman and Draper 2012) and, consequently, strong societal pressure to get married (Lehrer 2004). This may influence how cohabiters view their union, how stable the cohabitation is, and, if cohabiters marry, how fast they do so. When cohabitation is marginal and stigmatized cohabitation is likely to be short-lived and quickly transformed into marriage. In countries where the decision to get married is interpreted as a consequence of high interpersonal commitment we would expect commitment within cohabitation to be higher. It has to be noted, however, that the aspiration of marriage can also indicate a perceived absence of alternatives to marriage and thus an expression of conformism (Coast 2009). If cohabiters in Central and Eastern Europe enter cohabitation predominantly with the aspiration to marry soon they might adopt marriage-like patterns of income organization right from the start of their union. At the country level we would thus expect to find smaller differences between cohabiters' and spouses' money management. In contexts where cohabitation is more prevalent and accepted, premarital cohabitation is viewed as a phase in the 'normal' life course and a significant proportion of cohabiters might not marry at all, either because their union dissolves rather than transforming into marriage— a process called "weeding" (Klijzing 1992: 53), or they consider their union as a permanent alternative to marriage. Thus there might be great variation at the individual level in the commitment that is involved in cohabitation. In addition, in these contexts the legal protection of non-marital unions is often higher than in countries where cohabitation is rare (Perelli-Harris and Sánchez Gassen 2012; Poortman and Mills 2012). If income pooling strategies reflect the commitment of the union, differences in the money-management strategies of cohabiters and spouses might be larger among Western Europeans. Accounting for the variation in the level of commitment may, however, also reduce these differences most strongly in these countries.

Finally, country differences might arise from differences in the socio-cultural context, independently from differences in selection processes and levels of commitment. It has been argued that individualization affects the nature of intimate relationships and how couples manage their money. As the level of individualization varies across countries it could be that in countries where the level of individualization is high, intimate relationships are primarily entered into for the sake of satisfaction derived from being with that partner rather than for the social recognition or economic advantage gained by being in a partnership, and relationships that no longer provide these benefits are easily dissolved (Giddens 1992). Building on new institutional economics, which situates economic action into its institutional context, Lauer and Yodanis (2011), in a cross-national comparative study on spousal income organization, show that the spread of individualized marriage in a country influences spouses' money management strategies. In order to maintain individual autonomy and to ease leaving the union, married couples in individualized contexts are more likely to avoid income pooling. Sociologists have argued that the individualization of intimate relationships is increasingly a feature of Western societies (Beck and Beck-Gernsheim 1990). Keeping income separate as an expression of individualistic values thus might be more likely in Western Europe than in Eastern Europe. Cohabitation—even more than marriage—might constitute an expression of the valorization of individual autonomy, and that the relationship is entered into and maintained as long as it is considered self-fulfilling and satisfying. Thus it could be that differences between cohabiters' and spouses' money-management strategies are greater in Western Europe than in Eastern Europe. Nevertheless, given that the majority of marriages in Western Europe nowadays are preceded by a period of unmarried cohabitation, it could also be that spouses continue the money management strategies employed during cohabitation, which would lead to smaller differences between cohabiters and the married in Western Europe, compared to Eastern Europe.

In sum, selection variables are expected to more strongly explain the effect of union type on income pooling in Central and Eastern Europe, as cohabiters in these countries are considered a more selective group than their Western European counterparts. Commitment variables are expected to strongly reduce the differences between cohabitation and marriage in Western Europe, as cohabiters in these countries are expected to be more diverse with regard to the level of interpersonal commitment. Persistent country differences might indicate that cross-national differences in the level of individualization of intimate relationships exist.

3. Data and methods

3.1 Data and sample

We analyzed data from six countries that participated in the Generations and Gender Surveys (GGS) that were collected in 2005 and 2006. The GGS is a panel survey of a nationally representative sample of the 18–79 year-old resident population in each participating country (Vikat et al. 2007). To date, Wave 1 data of 15 countries has been collected. Six of them include a comparable measurement of the money management strategy employed within the couple. These countries are Bulgaria, France, Georgia, Germany, Romania, and Russia. The overall size of the main samples differs by country but in most cases is about 10,000 respondents. Data were usually collected by a computer-assisted personal interview (CAPI), and in some countries by a paper and pencil interview (PAPI). The overall response rates vary between 49.7% in Russia and 78.2% in Bulgaria. Our analytical sample contains individuals who were either married or cohabited unmarried, with a heterosexual partner. Individuals who did not provide information on their organization of household income (n=157) or who reported to have an "other" manner in which they managed their money (n=474) were excluded from further analysis. Moreover, we excluded respondents who did not report whether they are married to their current partner (n=55), as well as cohabiters who did not report whether they have intentions to marry within three years (n=114). The analyses are based on a final sample of 36,407 (88%) married individuals and 5,049 (12%) cohabiters.

3.2 Measurements

Income pooling. Our dependent variable – the extent to which income is pooled – distinguished couples that kept their income at least partly separate from those that pooled all their income. In the GGS respondents were asked:

"How do you and your partner/spouse organize your household income?"

1 – I manage all the money and give my partner/spouse his/ her share

2 – My partner/spouse manages all the money and gives me my share

3 – We pool all the money and each takes out what we need

4 – We pool some of the money and keep the rest separate

5 – We each keep our own money separate

6 – Other (Comment: only for coding, not presented in the card itself)

In line with previous studies (Heimdal and Houseknecht 2003; Vogler, Brockmann and Wiggins 2006) we distinguished individuals who kept their income completely or partly separate (responses 4 and 5) from those who pooled all their income (responses 1, 2, and 3). Pooling income is considered as the reference category.

Union type. Respondents who were married and live together with their partner are distinguished from those who shared a household with a partner to whom they were not married (coded as 1).

Selection factors. We included three age groups in the analysis: 18 to 35 years old, 36 to 55 years old, and 56 to 79 years old. The data provide an internationally comparable measure of education attainment using the International Standard Classification of Education *ISCED* (UNESCO 2006). We distinguished three levels: 1=primary and lower secondary education, 2=upper secondary and post-secondary non-university education, and 3=all levels of university education. The data include the self-reported activity status of both partners. Four categories of the division of paid labor were distinguished: 1=only the male partner is employed or self-employed, 2=only the female partner is employed or self-employed, 3=both are employed or self-employed, 4=none of them is employed or self-employed. Religiousness was measured as a combination of religious denomination and the frequency of visiting religious services (with the categories: less than once a year, once a year, less than once a month, once a month, less than once a week, once a week, daily). We created a scale ranging from 1=no denomination or with denomination but visiting religious services less than once a year, to 6=with denomination, going daily to church. A higher value indicated a higher level of religiousness.

Life-course events. Dummy variables were created indicating whether the respondent had ever been married with a former partner (coded as 1) and whether at least one stepchild or biological child with a former partner and below age 18 was living in the household.

Commitment factors. The union duration has been measured in years between the date of interview and the date the couple started living in the same household. A dummy variable was created that takes the value 1 when the respondent reported at least one joint biological child younger than 18 years old with the current partner and living in the household. To measure separation thoughts, respondents were asked “Over the past 12 months, have you thought about breaking up your relationship?” The answer categories were 0=no and 1=yes.

Heterogeneity within cohabitation and marriage. Marital intentions of cohabiters were ascertained by asking whether they intended to marry their partner within the next three years. Respondents who answered 1=yes or 2=probably yes were considered as having marriage plans. Those who responded 3=probably no or 4=no were treated as having no marital intentions. Among spouses a distinction was made between those who cohabited before marriage and those who married directly.

3.3 Analytical approach

First, descriptive statistics are discussed. These results provide insight into how cohabiters and married individuals across countries differ in terms of selection and commitment measures as well as in income pooling strategies. Within-country differences between cohabiters and married have been tested for statistical significance. We explicitly state whenever an observed difference does not reach statistical significance. Next, our hypotheses are tested by estimating binomial logistic regression models for each country separately, because the small number of countries does not allow the use of multi-level analysis (Hox 2010).

Item non-response is hardly problematic, because most of the variables had an item-non-response rate of less than 1%. The question on separation thoughts has a high item non-response of around 30% in both Georgia (for unknown reasons) and France (as interviewers were instructed to skip the question on relationship assessment when the respondent's partner was present at the interview). In the case of continuous variables with missing data, such as partnership duration and religiousness, we performed value imputation using the Stata 10 "impute" command for each country separately. In the case of categorical variables with missing data we created an additional category, "no response". For instance, respondents without separation thoughts have been compared to respondents with separation thoughts as well as those with a non-response.

4. Results

Table 1 shows for cohabiting and married individuals by country the percent distribution of the variables included in our analysis. In CEE countries pooling all income is by far the most common manner in which couples manage their money, regardless of whether they are married or not. With the exception of Georgia and Bulgaria where married and cohabiting couples do not differ significantly from each other in the way they organize their income, independent money management is clearly more frequently reported by cohabiting couples than by the married. Germany and France differ from the CEE countries in two respects. First, the share of non-poolers among married couples is higher (12% and 15%, respectively) than in Georgia, Romania, and Russia. Second, the proportion of non-poolers among cohabiting couples is much larger than among married couples. More than half of all cohabiting couples keep at least some of their money separate (51% and 58%, respectively).

Countries vary in the prevalence of cohabitation. It is particularly uncommon in Romania where approximately 5% of all co-resident unions are cohabitations. In Georgia, Russia, Bulgaria, and Germany, the proportion of cohabiters varies between 10% and 15%. In France one fifth of all co-resident unions are cohabitations. More than half of all cohabiting individuals in Bulgaria, Russia, Germany, and France intend to marry their partner within three years. The vast majority of Georgian and Romanian cohabiters reports marital intentions for the near future (78% and 67%, respectively). Whereas around 50% of all currently married couples in each country experienced premarital cohabitation, 17% of the Romanian and 32% of the Russian married couples cohabited before they got married.

Table 1: Percent distribution of income management and characteristics of the cohabiting and the married by country (N=41,456)

	Bulgaria		Georgia		Romania		Russia		France		Germany	
	coh	mar	coh	mar	coh	mar	coh	mar	coh	mar	coh	mar
Income management												
All income pooled	83.7	85.6	90.8	92.0	85.4	93.1	84.9	93.8	42.0	85.2	49.0	88.5
At least some income kept separate	16.3	14.4	9.2	8.0	14.6	6.9	15.1	6.2	58.0	14.8	51.0	11.5
Prevalence of cohabitation												
Cohabiting among all coresident unions	10.2		13.6		5.3		14.7		20.4		12.3	
Types of cohabitation/marriage												
Cohabiting without marital intentions	56.4		21.7		32.9		51.8		59.4		54.1	
Cohabiting with marital intentions	43.6		78.3		67.1		48.2		40.6		45.9	
Married directly		45.6		52.9		83.0		67.5		51.1		49.4
Married after cohabitation		54.4		47.1		17.0		32.5		48.9		50.5
Selection variables												
18–35 years old	68.8	23.3	49.7	17.6	37.4	16.6	43.3	24.8	50.5	13.4	50.8	12.8
36–55 years old	25.9	46.1	41.8	50.6	40.5	45.9	41.2	47.9	41.1	45.0	35.9	49.5
56+ years old	5.3	30.7	8.5	31.8	22.1	37.6	15.6	27.3	8.3	41.6	13.4	37.7
Primary education	50.2	26.4	11.4	12.3	53.4	37.3	14.5	12.3	19.8	35.0	17.1	11.3
Secondary education	38.5	51.2	60.8	59.5	39.9	52.7	56.6	47.7	47.5	39.9	58.6	60.0
Tertiary education	11.4	22.3	27.8	28.2	6.8	10.1	28.9	40.0	32.7	25.1	24.2	28.8
Only male partner employed	23.0	13.6	46.3	37.1	31.5	18.8	22.2	16.7	18.7	14.7	16.3	21.9
Only female partner employed	13.7	12.0	7.1	9.2	8.8	8.1	10.4	9.3	7.2	8.1	11.7	7.4
Both partners employed	32.4	44.5	21.9	23.6	31.5	37.3	48.3	46.4	64.7	45.1	53.2	43.1
No partner employed	31.0	29.9	24.6	30.0	28.2	25.9	19.2	27.6	9.4	32.0	18.9	27.6
Mean score religiousness scale (1–10)	2.4	2.6	2.9	2.7	3.3	3.8	1.9	1.9	1.3	1.8	1.6	2.5
Divorced	21.9	2.8	6.7	1.3	37.6	4.5	48.7	12.2	19.6	7.3	21.4	6.0
Child(ren) from prior unions below age 18 in household	10.2	1.2	2.2	0.2	13.1	1.4	24.3	3.6	11.9	2.0	10.7	5.9
Commitment variables												
Mean union duration (in years)	7.8	24.5	10.7	25.0	10.7	26.3	8.1	22.4	8.1	26.7	6.7	25.1
Child(ren) from current union below age 18 in household	56.7	50.1	73.2	50.4	35.8	41.1	26.0	49.9	45.1	42.0	25.4	38.6
With separation thoughts	5.6	2.2	2.9	1.8	6.3	1.8	26.9	13.8	14.1	4.7	13.5	3.8
TOTAL NUMBER OF OBSERVATIONS	845	7,420	5,430	857	444	8,003	945	5,501	1,211	4,723	747	5,330

Note: Generations and Gender Surveys 2005/06.

Cohabiters in all countries are on average younger than married individuals; cohabiters in CEE countries are in general older than cohabiters in Germany and France. In all countries except Georgia the educational attainment of married and cohabiting respondents differs significantly. In Romania and Bulgaria most cohabiters have only completed a low level of educational attainment (around 50%), whereas married respondents are more likely to be highly educated. In Russia and Germany these differences are smaller. French cohabiters, by contrast, are on average higher educated than married individuals. Regarding the division of paid labor, we find that more than half of French and German cohabiters live in unions in which both partners are employed. The male breadwinner model is more prevalent in Central and Eastern Europe, and in particular among cohabiters in Georgia and Romania. Both cohabiting and married respondents in Romania on average score highest on the religiousness scale, whereas Russian respondents, regardless of union status, and German cohabiters are the least religious. Apart from Russia and Georgia where the differences do not reach statistical significance, cohabiters are less religious than married individuals. In all countries cohabiters report much more frequently that they have been previously married. Although this proportion varies strongly across countries and is highest in Russia and Romania (48% and 38%, respectively), the difference between married and cohabiting individuals is remarkably large in all countries. Living together with children below age 18 from prior unions is much more common among cohabiters and particularly prevalent in Russia. In all countries the average partnership duration of cohabiting unions is shorter than that of marriages. The difference between cohabiters and spouses is largest in Germany, with 6 years for cohabiting versus approximately 25 years for married couples. Between a quarter (Germany, Russia) and 73% (Georgia) of all cohabiting unions involve at least one joint biological child with the partner. Neither married nor cohabiting individuals are likely to have thought about breaking up with their partner during the last year. Among those who did cohabiters are largely overrepresented, in particular in Germany and France, but also in Bulgaria, Georgia, and Romania. Cohabiters are overrepresented among those with separation thoughts in Russia as well. The peculiarity of Russia is that these kinds of thoughts are relatively prevalent among married respondents as well.

In order to replicate previous findings and test Hypothesis 1, that cohabiters are more likely to keep money separate, we conducted a logistic regression analysis with independent money management as the dependent variable and union type as the only independent variable, for each country separately (results not shown). With the exception of Bulgaria and Georgia where the effect of union type on income pooling does not reach statistical significance, cohabiters are more likely than married respondents to opt for independent money management. Against our expectation that differences between cohabiters and spouses are initially larger in CEE countries where cohabitation is marginal, we find German and French cohabiters to have 8.0 times higher odds of keeping money separate, whereas in Romania and Russia cohabiters' odds of independent money management are increased by 2.7 and 2.3 times, respectively.

In Hypothesis 2 we assumed that the variation in income pooling strategies of cohabiting and married individuals would be strongly reduced after controlling for selection into cohabitation, as the differences between cohabiters' and spouses' income organization would derive from individual characteristics associated with the entry into cohabitation. Table 2 shows the results of a logistic regression analysis of the association between union type and income pooling when selection processes into cohabitation and independent money management are controlled for.

We do indeed find that keeping income separate is associated with variables that are considered to select individuals into cohabitation, although not in all countries. Individuals in the oldest age group are most likely to keep money separate in CEE countries, but the effect reaches statistical significance only in Georgia and Russia. This finding contradicts our assumptions and might be counter-intuitive. It is, however, in line with previous research, and has been explained as a strategic response of older individuals to country-specific inheritance tax regulations and medical care payments (Heimdal and Houseknecht 2003; Lyngstad, Noack and Tufte 2011; Treas 1993). In France and Germany the age affect is reversed, but as we will show below the effect turns positive and significant when we include measurements of interpersonal commitment. In line with prior studies we find that university-educated individuals are more likely to keep money separate. In accordance with our theoretical expectation, strong labor market participation of both partners and a female-breadwinner model increases the likelihood of keeping separate purses. Surprisingly, we find religious people to be slightly more likely to opt for separate purses in Georgia and Russia. In line with our assumptions we also find previously married respondents to be more likely to pursue individual money management. The presence of children from prior unions in the household decreases the odds of separate purses only in Germany. We thus find little empirical evidence that individuals avoid pooling resources when children from prior unions are living in the household.

When selection variables are included in the model the effect of cohabitation on keeping money separate becomes statistically significant in Bulgaria and Georgia. In Romania and Russia the effect of union type remains virtually unchanged, whereas in Germany and France the differences between cohabiters and the married are smaller when selection is taken into account. Despite differences in the characteristics of cohabiters in Western Europe compared to Central and Eastern Europe, our findings suggest that selection processes into independent money management operate in similar ways across countries. Against our expectation that selection factors would explain more of the variation in CEE countries where cohabitation is less widespread, we find that considering selection into cohabitation reveals differences in money management strategies between cohabitation and marriage in Bulgaria and Georgia, but hardly accounts for variation in two other Central and Eastern European countries. By contrast, taking selection into account explains some of the variation in income pooling strategies by union type in Germany and France. Across Europe the effect of union type on money management remains large. The odds ratio of separate purses among cohabiters ranges between 1.3 in Georgia and 7.0 in Germany, after controlling for selection processes.

Table 2: Summary of logistic regression Analysis (e^B) for variables predicting independent money management by union type for cohabiters (n=5,049) and the married (n=36,407), controlling for selection processes

	Bulgaria	Georgia	Romania	Russia	France	Germany
Union type (ref. married)						
Cohabiting	1.60***	1.32**	2.45***	2.74***	5.92***	7.03***
Age (ref. 18–35 years)						
36–55 years old	1.07	0.97	1.02	0.93	0.71***	0.90
56+ years old	1.24†	1.31**	1.21	1.13**	0.75**	0.95
Education (ref. primary education)						
Secondary education	1.74***	1.01	1.23**	1.23	1.52***	1.17
Tertiary education	2.64***	1.40**	1.50**	1.69**	3.37***	1.83***
Division of labor (ref. male employed)						
Female employed	1.30**	2.64***	1.58**	1.41†	2.14***	1.34†
Both employed	1.49***	2.40***	2.02***	1.59**	2.00***	2.27***
None employed	0.98	2.57***	1.24	0.88	0.99	0.97
Religiousness (cont.)	1.00	1.07**	1.05	1.12**	0.97	0.98
Marriage history (ref. not divorced)						
Divorced	0.87	0.88	1.40**	1.21	2.52***	2.04***
Fertility history (ref. no child from prior union)						
Child prior union	0.88	1.90	0.69	0.77	1.08	0.89
Constant	0.07***	0.03***	0.03***	0.03***	0.08***	0.07***
χ^2	-3346.6	-1721.7	-2170.5	-1658.8	-2599.2	-2327.8
Pseudo R^2	0.03	0.03	0.02	0.04	0.20	0.14
df	11	11		11	11	11

Note: Generations and Gender Surveys 2005/06. †p< .1 *p < .05, **p < .01, ***p < .001.

In Hypothesis 3 we assumed that differences in the income organization of cohabiters and the married would derive from variation in the level of interpersonal commitment, both within cohabitation and marriage. In order to test that hypothesis we added to the model union duration, presence of joint biological children in the household, and separation thoughts. The results are presented in Table 3.

Table 3: Summary of logistic regression Analysis (e^B) for variables predicting independent money management by union type for cohabiters (n=5,049) and the married (n=36,407), controlling for selection processes (omitted from table) and level of commitment

	Bulgaria	Georgia	Romania	Russia	France	Germany
Union type (ref. married)						
Cohabiting	1.60***	1.29†	2.32***	2.11***	3.93***	4.62***
Union duration	0.99**	0.99	1.00	0.98***	0.95***	0.97***
Fertility history current union (ref. no joint child)						
Joint child	0.65***	0.88	0.73**	0.89	0.64***	0.62***
Evaluation relationship (ref: no separation thoughts)						
Sep. thoughts	2.83***	1.74***	4.55***	2.44***	2.22***	1.52**
Constant	0.11***	0.04***	0.03***	0.03***	0.17***	0.13***
χ^2	-3314.2	-1716.2	-2139.3	-1624.7	-2515.7	-2295.6
Pseudo R^2	0.04	0.04	0.03	0.06	0.22	0.15
df	14	14	14	14	14	14

Note: Generations and Gender Surveys 2005/06. †p< .1 *p < .05, **p < .01, ***p < .001.

Including the commitment measures decreases the effect of union type on money management strategies in all countries. In Georgia differences between cohabiting and married individuals remain only marginally statistically significant. The effects of the selection variables remain virtually unchanged, with the exception of the effects of two variables (results not shown). First, older age turns from a negative to a positive effect in Germany and France, and thus becomes in line with findings from all other countries. Second, the negative association between the presence of children from prior unions in the household and separate purses reaches marginal statistical significance in Romania and statistical significance at the .05 level in Germany. Likelihood ratio tests reveal that controlling for interpersonal commitment significantly improved the model fit for each of these countries.

The longer the union duration, the lower the likelihood that a couple keeps income separate. The effect of union duration is particularly strong in Western countries where the effect of union type decreases strongly after partnership duration is controlled for (step-wise models not reported but available upon request). As expected, joint biological children significantly decrease the odds of separate purses in four out of six countries, suggesting that a couple's financial lives get more intertwined when partners share the responsibility for a joint child. Separation thoughts turn out to be very strongly linked to income pooling patterns in all countries. Respondents who considered breaking up with their partner during the last year have a strongly increased likelihood of keeping money separate.

Although including commitment factors reduces the cross-national variation in the effect of cohabitation on independent money management it remains significant and varies between 1.3 in Georgia and 4.6 in Germany.

Finally, in Hypothesis 4 we expected that taking into account cohabiters' marriage plans and married individuals' cohabitation experience might explain differences in the income organization of both union types. Table 4 presents the results of a regression model that replaces the dichotomized union type variable by a fourfold typology in order to test within-group heterogeneity.

In all countries both types of married individuals—those who married directly and those who did so after cohabitation with their spouse—are less likely to keep money separate than cohabiters. Only in Romania and France do we observe statistically significant differences in the income pooling strategies of both groups of married respondents. Whereas Romanian spouses who cohabited before they got married are less likely to keep money separate than those who married directly, French ex-cohabiters are—as hypothesized—more likely to keep money separate than those who married directly. For the other countries these results indicate that income pooling strategies within a marriage are not associated with premarital cohabitation. We thus found little support for the assumption that premarital cohabitation is relevant for income pooling strategies within marriage.

Apart from Bulgaria and Georgia where no or only marginal differences were observed between any of the cohabitation and marriage types, we find that cohabiters with marriage plans differ from the married couples less than cohabiters without such plans. Cohabiters who do not have short-term marriage intentions have higher odds of keeping separate at least some of their income than the 'marriage-minded' cohabiters. Differences between both types of cohabiters are only statistically significant in Russia, Germany, and France. We thus find some empirical support for within-group heterogeneity among cohabiters with regard to income organization.

Table 4: Summary of logistic regression Analysis (e^B) for variables predicting independent money management by two types of cohabiters (n=5,049) and two types of married (n=36,407), controlling for selection processes and level of commitment (omitted from table)

	Bulgaria	Georgia	Romania	Russia	France	Germany
Union type (ref. married directly)						
Married after cohabitation	1.06	0.98	0.67**	1.13	1.47***	1.14
Cohabit with marriage plans	1.38†	1.22	2.00**	1.74**	4.09***	4.16***
Cohabit without marriage plans	1.35†	1.43	2.19**	2.72***	6.42***	5.89***
Constant	0.11***	0.04***	0.04***	0.03***	0.13***	0.12***
χ^2	-3313.8	-1715.9	-2134.5	-1621.6	-2502.9	-2292.2
Pseudo R^2	0.04	0.04	0.04	0.06	0.13	0.15
df	16	16	16	16	16	16

Note: Generations and Gender Surveys 2005/06. †p< .1 *p < .05, **p < .01, ***p < .001.

5. Discussion

In this paper cohabiting and married couples were compared with regard to their income pooling strategies across different countries. The aim was to examine the extent to which cohabiters and the married differ in their income pooling strategies, and to analyze whether the factors that account for these differences vary across countries. In accordance with prior research (Elizabeth 2001; Hamplova and Le Bourdais 2009; Heimdal and Houseknecht 2003; Lyngstad, Noack and Tufte 2011; Vogler, Brockmann and Wiggins 2008) support was found for Hypothesis 1 that cohabiters are more inclined towards independent money management in four of the six countries. We did not find such differences in Georgia and Bulgaria. We can imagine two explanations. First, cohabiting unions in these countries tend to be particularly short-lived and the predominant exit from cohabitation is marriage rather than separation (own cohort analysis of the cumulative incidence of marriage and separation as two competing events based on GGS data, not shown). Thus it could be that cohabiters adapt income pooling as the predominant way in which money is organized within marriage right from the start of their union. Second, as we have discussed earlier, income pooling might be an expression of economic constraints rather than an individual preference and couples might need to pool all their resources to make ends meet. Within our sample of countries Georgia and Bulgaria have the lowest Gross Domestic Product (GDP) and are particularly poor European countries (The World Bank 2012). It could thus be that independent money management is not feasible for couples in these countries, regardless of their marital status.

We examined the relevance of selection in explaining the differences between cohabiters' and spouses' money management. Although several potential selection factors were related to income pooling, these factors were hardly capable of explaining the relationship between union type and income pooling strategy. We find that older individuals, those with a university degree, unions in which the female or both partners are highly attached to the labor market, and the previously divorced (in Western Europe) to be more inclined to keep money separate. These results replicate findings for other countries (Burgoyne and Morison 1997; Hamplova and Le Bourdais 2009; Heimdal and Houseknecht 2003; Lyngstad, Noack and Tufte 2011; Treas 1993; Vogler, Brockmann and Wiggins 2008). In all countries the effect of cohabitation on independent money management remained considerable, implying that the selection factors considered here were not explaining much of the differences in the income pooling strategies of cohabiting and married couples, and if they did, they did so more in contexts where cohabitation is more prevalent. Given the popularity of the selection hypothesis, our findings suggest that selection cannot be the whole story and that it is likely that there must be inherent differences between cohabitation and marriage that influence how couples manage their money. Selection, however, might still play a role. We could only include a limited number of selection factors that have been discussed in the literature and our choice might not be exhaustive. Particularly for the Eastern European countries very little is known about the selection processes into cohabitation, and we might have missed factors attracting individuals to cohabitation and individual money management in these societies.

Next, we examined the assumption that inherent differences between cohabitation and marriage concerning the relationship itself explain this variation. We do indeed find that differences in the interpersonal commitment of cohabiting and married couples are associated with their money management strategies. Differences between cohabiting and married couples were strongly reduced (particularly in Germany and France) after controlling for union duration in four of the six countries. The longer a relationship lasts, the more entangled the partners' lives become and the more likely it becomes that they opt for pooled economic resources. First, our results imply that the different average union duration of cohabiting and married relationships accounts for a lot of the variation in the money management within both union types. This is in line with the findings of Lyngstad et al. (2011) for Norway. Most of the previous studies on cohabiters' money management, however, did not include union duration in their analysis (Hamplova and Le Bourdais 2009; Vogler, Brockmann and Wiggins 2008). Second, these findings suggest that long-term cohabiters are likely to behave more similarly to married couples in the economic organization of their household income. This is interesting because it is widely assumed that long-term cohabiting unions are the most ideologically inspired ones. If so, it suggests that there are institutional pressures on these couples that make them pool their incomes (e.g., buying a house together).

Joint biological children below age 18 are associated with lower odds of keeping money separate. This finding suggests that a couple's financial lives get more intertwined when they have joint responsibility for a biological child. This finding has important implications, as an increasing number of children are born to cohabiting parents. It suggests that the presence of children might become an increasingly crucial determinant in the money management strategy of couples, regardless of the union type they are in. Despite on-going changes in individuals' living arrangements and family context, parenthood encourages financial solidarity within a couple, whether the parents are married or not.

In line with our expectations, separation thoughts were associated with a higher likelihood of keeping income separate. We argued that thinking about breaking up signifies low commitment, which in turn discourages individuals to pool their income. However, some sort of reversed causality could be operative as well. The absence of a joint pool could cause or signify a lower commitment to the partner and in turn lead to thoughts about separation. Longitudinal data are needed to shed light on this issue.

In three of the six countries (Germany, France, Russia) cohabiters with marriage plans are less likely to keep money separate than cohabiters without marital intentions, a finding also reported by Lyngstad and colleagues (2011) for Norway. Cohabiters anticipating marriage might already have a preference for joint finances or might start adopting marriage-like behaviors after the decision to get married has been made. This difference within the group of cohabiters stresses the importance of taking the heterogeneity among cohabiters into account. Cohabiters anticipating marriage behave more similarly to married couples than cohabiters not thinking about getting married.

We find little support for the hypothesis that married couples who cohabited before their marriage are more likely to keep money separate during marriage than those who married straight away. The only exception is France, where virtually all co-resident unions start by unmarried cohabitation. Those who marry directly thus constitute a selective group, and their high likelihood to have joint money management might be related more to religiousness or conservatism than to different levels of interpersonal commitment.

Although we were able to illustrate the existence of substantial heterogeneity in income pooling strategies among both cohabiting and married couples the effect of cohabitation on keeping money separate remained strong and significant. This finding could indicate that the institution of marriage induces a couple to attach a special significance to their relationship that differs substantively from cohabitation. In contrast to cohabitation, marriage is a social institution, legally regulated and surrounded by clear social expectations about how a married couple should behave. The norms concerning marriage also concern financial arrangements such as material support and inheritance, and thus offer an institutional framework for mutual solidarity between spouses. Hence, marriage seems to be strongly associated with joint finances in all countries included in our study. This finding implies that marriage is such a strong institution that it mainstreams prior cohabiters. Since the decision as to whether to pool income has to be made by every couple at some point in the course of their relationship, the availability of longitudinal data for future research would allow examining at what point in the course of an intimate relationship the decision to pool income is being made, as well as which couples change their money management over time.

Another limitation of this study is that we do not differentiate between partial pooling and keeping all income separate. Burgoyne and colleagues (2007) identified partial pooling as a distinct money management strategy, as it shares similarities with both independent money management and complete pooling. Couples employing partial pooling manage a significant proportion of the income independently, but both partners have access to joint money for collective expenses. We acknowledge this important distinction, which is particularly relevant in thinking about its consequences for access to and control of financial resources within couples. Our data did not allow us to further distinguish among those not pooling all of their resources as the number of observations is too small.

Finally, we explored whether country differences in the effect of union type on income pooling strategies were related to different selection processes into money management strategies across countries or cross-national variation in the level of commitment in cohabitation and marriage. We find that selection processes into independent money operate in similar ways across countries, despite the cohabiting populations differing in some characteristics. Therefore our results suggest that selection explains little of the differences between cohabiters' and spouses' different ways of managing money. Variation in commitment factors, however, cannot exhaustively explain the variation in cohabiters' and spouses' income pooling strategies in different contexts.

It might be that the money management strategy that a couple pursues is not only the outcome of an individual preference, but also mirrors constraints. The socio-economic context of cohabiters might thus play a role in how feasible it is to keep money separate. Cohabiters in CEE countries are characterized by a lower level of educational attainment and participation in the labor market, both compared to married individuals in their country and compared to cohabiters in Western Europe. For them the question of whether money should be kept separate might simply not come up, because these couples need all their money to keep things running, even if the couple has ideological qualms about it. This explanation is supported by our finding that differences in the money management of cohabiters and spouses in Central and Eastern Europe are small to begin with, and hardly influenced by selection or commitment variables. In prosperous countries where people earn more than they need for their basic needs the idea of keeping at least some of the money separate in order to increase individual autonomy might make sense.

Nevertheless, the level of commitment accounts better for the variation in Western European countries than in Central and Eastern Europe. Another explanation of the persistent country differences could thus be that the more normative cohabitation becomes, the more diverse the cohabiting population in terms of commitment involved. The persistence of country differences in the extent to which cohabiters are more likely to keep money separate gives some indication of the notion that Western European relationships are indeed more individualized, but also that cohabitation is a particularly individualized union type. In Western Europe individualistic and postmodern values are highly accepted. People in these countries might therefore abstain from income pooling for ideological reasons such as maintaining their individual autonomy, even though they are highly committed to their partner. Cohabitation, even more than marriage, might be an expression of holding such individualized values. As a consequence levels of commitment cannot exhaustively explain why cohabiters are more likely to keep their money separate than married couples. Alternatively, it could be that even in Western Europe, where cohabitation is common and accepted, keeping money separate during cohabitation might be a norm itself. When common sense does not expect cohabiters to pool economic resources, cohabiters might be less likely to do so. In Central and Eastern Europe, by contrast, norms to pool income within a couple might be particularly strong, regardless of whether the partners are married or not. When keeping income separate is considered a particular deviant behavior it is not very likely to occur.

We explored interesting country differences in the six countries we examined, hereby opening promising avenues for future research. Analyzing countries separately does not provide the empirically appropriate test of the effect of the institutional context. When data on more countries is available it will be possible to directly test for their impact on money management strategies multi-level models that include both individual and country-level indicators.

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